

REMARKS

Claims 1 – 21 are pending. All claims stand rejected. Claims 1, 7 and 13 have been amended. Claims 2, 8 and 14 have been withdrawn.

Claims 1 - 12 stand rejected under 35 U.S.C. 101 on the grounds that the claimed invention is directed to non-statutory subject matter. The Examiner states that the claims recite no feature which places the claimed inventions within the technological arts, and further states that no particular technological element such as a computer is claimed.

This ground of rejection is traversed, as there is no requirement that an invention relate to a technological art. As the Court of Appeals for the Federal Circuit has said: "Whether the claims are directed to subject matter within § 101 should not turn on whether the claimed subject matter does "business" instead of something else." *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368, 1377 (Fed. Cir. 1998), *cert. denied*, 525 U.S. 1093 (1999). There is simply no ground of rejection that the claimed process is not technological, as a business method is proper subject matter.

Claims 1 - 21 stand rejected under 35 U.S.C. 101 on the grounds that the claimed invention lacks patentable utility. The Examiner states that the claims recite elements of initialization and manipulation of values for a computation, but produce no usable, specific results.

In fact, the claims, as amended, include the step of providing the output, in the form of calculated investment values, to a user. The output is usable in the field of financial planning for analysis by financial planners and individuals. This output is clearly useful.

As the Court of Appeals for the Federal Circuit stated in *State Street Bank*:

Today, we hold that the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces "a useful, concrete and tangible result"--a final share price momentarily fixed for recording and

reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades.

149 F.3d at 1473.

Here, the method provides a useful, concrete and tangible result, namely, a projected investment value based on certain assumptions, and calculations based on additional assumptions and certain historical data, presented to an individual. A dollar value, as pointed out above, is certainly a useful, concrete and tangible result. Indeed, this result may be employed in determining the financial plans of individuals.

Claims 1 - 2, 4 - 5, 7-8, 10- 11, 13 - 14, 16 - 17 and 19 - 20 stand rejected as anticipated by Bierwirth. The rejection is respectfully traversed.

Claim 1 is a method of calculating or simulating the results of a given investment plan that includes an initial investment amount, later predetermined contribution amounts, and predetermined withdrawal amounts. Bierwirth takes an entirely different approach. Bierwirth assumes that the client has reached retirement and has a set savings principal (page 2, lines 30-35). There is no reference in Bierwirth to future contribution amounts. While a retiree in Bierwirth may have other sources of income, as noted on page 3, line 17, Bierwirth does not suggest contributing any of the other income amounts to the invested amounts by way of a future contribution. Thus, Bierwirth is not applicable to individuals attempting to determine how much to save.

Bierwirth also does not receive predetermined withdrawal amounts from a user. Rather, the Bierwirth method solves for level income amounts throughout a retirement period. Such predetermined withdrawal amounts are an essential part of a financial plan. The Bierwirth method does not render predetermined withdrawal amounts possible. Rather, Bierwirth solves for level income, which, if all other sources of income are level, would mean a level withdrawal amount.

Furthermore, Bierwirth fixes the amount of the principal at the end of the process at \$500,000. This is in contrast to the method of the invention, which, as noted above, fixes a

periodic withdrawal amount. This constraint renders the Bierwirth method difficult to use for realistic financial planning.

Indeed, from the Bierwirth approach, one cannot attempt to estimate the likelihood of success of a financial plan, as a key element, namely, the amount of withdrawals, is solved for, rather than input.

The method of claim 1 evaluates the success of a given approach of initial investment, one or more later defined contributions, and defined withdrawal amounts. This is a realistic approach to evaluation of financial plans, readily comprehensible to clients. One can input the amount of one's current investments, at least one future contribution, and one or more future withdrawals. The output indicates the level of total investments remaining throughout the test period, and in which historical periods the plan would have had enough money before the end.

By contrast, Bierwirth presents as an output a set of level income amounts. For example, a user is informed that, by investing the same amount in 1926, the investor could have had an annual income of \$26,919 and retained \$500,000 in principal in 1951. The user is also informed that, by investing the same amount in 1937, the investor could have had an annual income of \$16,657 and retained \$500,000 in principal in 1962. However, since the user does not know in advance whether investment performance will resemble 1926 to 1951, or 1937 to 1962, the user has no guidance on how much income to take out of investments each year. The step of solving for a given income means that there can be no evaluation of a given plan.

In the method of claim 1, the same plan is run through a plurality of historical periods, and the results of the calculation are provided to the user. Thus the user can see how a given financial plan would have succeeded or failed in starting from various historical points. The user can see in how many starting points the investments would have reached zero and failed to support the income stream. The user can see a range of possible ending balances. For example, a user can see the results of taking a lower annual withdrawal amount out of an investment in terms of the effect on the investment amount at the end of the plan. The investor might see, for example, that in many scenarios, the plan finishes with far more money than the investor sees as necessary. Such a result means that the investor is giving up such benefits as early retirement,

greater spending in retirement, a larger home at any time, and other items, unnecessarily. The investor can perceive the risks, both of running out of money, and of unnecessarily denying oneself available spending, inherent in a variety of scenarios by using the process of claim 1. In Bierwirth, by adopting a fixed end asset value and solving for defined income, the user does not obtain any sense of the likelihood of running out of money entirely, or of spending too much money.

Furthermore, the method of Bierwirth, by solving for level income, is constrained to provide only for level income. Bierwirth cannot reflect items that may create a desire for unusual spending activity, such as a once in a lifetime vacation, a purchase of a vacation home, or a child's college tuition. The method of claim 1, by permitting defined withdrawals to be determined by the user, can permit a financial plan that allows for such activity to be evaluated.

For these reasons, claim 1 is allowable over the prior art of record.

Claims 7 and 13, as amended, are similar to claim 1, and are allowable for the reasons that claim 1 is allowable.

The remaining claims depend from one of claims 1, 7 and 13, and are allowable for the reasons that those claims are allowable.

The rejection of claims 3, 6, 9, 12, 15, 18 and 21 over the combination of Bierwirth in view of Jones is traversed. For the reasons set forth above, as Bierwirth does not disclose or suggest the steps of any of the independent claims, the combination does not result in the invention as claimed in any claim.

Furthermore, the teachings of Jones and Bierwirth are fundamentally distinct. Jones does not use historical data, but a simulation of future returns based on an econometric model. The only use that Jones makes of historical returns is in the development of a model, not in simulating the results of a financial plan. One of ordinary skill would not seek to combine Jones and Bierwirth, as the two methods are fundamentally distinct. Even if one did modify Bierwirth in view of Jones, the resulting combination would not modify Bierwirth's end result of solving for a level income stream amount consistent with a specified asset value at the end of the period. Rather, the combined method would use the simulated returns of Jones to solve for a level

income stream over a retirement. None of the claims involve solving for a level income stream, or the use of simulated future returns.

It is respectfully submitted that all of the pending claims are in condition for allowance. Early reconsideration and allowance of the claims are respectfully requested.

Respectfully submitted,

Date: September 26, 2003

A handwritten signature in black ink, appearing to read 'Robert E. Rosenthal', written over a horizontal line.

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